

Hearing Date and Time: June 10, 2009 at 9:30 a.m.
Objection Deadline: June 9, 2009 at 12:00 p.m.

PENSION BENEFIT GUARANTY CORPORATION

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

DELPHI CORPORATION, *et al.*,

Debtors.

)
) Chapter 11

)
) Case No. 05-44481 (RDD)

)
) (Jointly Administered)

**STATEMENT OF PENSION BENEFIT GUARANTY
CORPORATION IN RESPONSE TO DEBTORS'
SUPPLEMENT TO PLAN MODIFICATION APPROVAL MOTION**

Pension Benefit Guaranty Corporation (“PBGC”) hereby responds to the above-captioned debtors (the “Debtors”) Supplement to Plan Modification Approval Motion, which is found at Docket No. 16646 (the “Motion”). PBGC respectfully represents as follows:

STATEMENT

PBGC submits this statement to make two critical points that, unless clarified, could result in creditors and other parties in interest misconstruing the information disclosed by the Debtors in the Motion.

POINT I: No Settlement Has Been Reached Between PBGC and Delphi

Throughout the Motion and modified plan of reorganization annexed thereto (the “Plan”), there are references to a settlement between Delphi and PBGC. *See, e.g.*, Motion, p.10; Plan, p.ix; Plan, §§ 1.53, 7.17. However, PBGC has not agreed to any settlement of its claims or treatment of the relevant pension plans sponsored by the Debtors on the terms set forth in the Motion or otherwise, and thus no oral or written settlement agreement exists. PBGC and other interested parties are continuing their discussions toward a consensual resolution of the issues surrounding Delphi’s pension plans; nonetheless, PBGC hereby expressly reserves its rights with respect to any such settlement, including whether one can be reached and the specific terms upon which settlement may be possible.

POINT II: Plan Ambiguously Describes Disposition of Delphi’s Hourly Pension Plan

The Motion at page 10 states as follows: “Upon consummation of the Modified Plan, the remaining assets and liabilities of Delphi’s hourly pension plan will no longer be the responsibility of the Debtors and will be addressed by GM.” The supplement to the disclosure statement in support of the Plan (the “Disclosure Statement”) states as follows: “Nevertheless, GM has agreed to make certain arrangements, the details of which are still under discussion, such that the Debtors shall no longer have responsibility for the Hourly Plan.” Disclosure Statement, p.S-22.

The Debtors, therefore, fail to disclose—and may not yet know—the means by which the transfer of responsibility for Delphi’s hourly pension plan (the “Hourly Plan”) will be

effectuated and how GM will “address” the Hourly Plan’s liabilities. For the Disclosure Statement to provide adequate information to allow voters to decide whether or not to support the modified Plan, Delphi must clarify the disposition of the Hourly Plan and, in particular, just how GM intends to “address” it.

RESERVATION OF RIGHTS

PBGC expressly reserves all of PBGC’s claims, defenses, liens, and rights to assert further objections to any proposed modifications to the Debtors’ plan of reorganization, the disposition of the Debtors’ pension plans, and the treatment of PBGC’s secured and unsecured claims against the Debtors.

Dated: Washington, D.C.
June 9, 2009

PENSION BENEFIT GUARANTY
CORPORATION

By: /s/ John A. Menke

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-and-

Dated: New York, New York
June 9, 2009

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CERTIFICATE OF SERVICE

I, Marie Vicinanza, certify that on the 9th day of June, 2009, I caused to be served to the parties listed below, a true and correct copy of the foregoing *Statement Of Pension Benefit Guaranty Corporation In Response To Debtors' Supplement To Plan Modification Approval Motion*, via hand delivery and/or electronic mail as indicated.

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Office of the United States Trustee Brian Masumoto, Esq. 33 Whitehall Street New York, New York 10004 Via Hand Delivery	Honorable Robert D. Drain United States Bankruptcy Court Southern District of New York One Bowling Green New York, NY 10004 Via Hand Delivery

Dated: June 9, 2009
New York, New York

/s/ Marie Vicinanza
Marie Vicinanza